The A. F. of L. Weekly News Service gives a brief summary of important matters affecting labor, occurring in the industrial, legislative and judicial fields, and such other information that will benefit the trade union movement.

AMERICAN FEDERATION OF LABOR

WEEKLY NEWS SERVICE

Time is short; your obligations are infinite.—Massillon.

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WHOLE NO. 1072. WILLIAM GREEN, President WASHINGTON, D. C., SATURDAY, OCTOBER 24, 1931 FRANK MORRISON, Secretary VOL. 21, NO. 33.

Unemployment Insurance

BY WILLIAM GREEN
President, American Federation of Labor

Editor's Note.—In its report on unemployment insurance to the 1931 conventio nof the American Federation of Labor at Vancouver, B. C., the Executive Council of the Federation expressed the opinion "that compulsory unemployment insurance legislation such as is now in effect in Great Britain and Germany would be unsuited to our economic and political requirements and unsatisfactory to American working men and women."

Three resolutions in favor of Federal unemployment insurance were presented to the convention. The first resolution was introduced by Florence C. Hanson, delegate of the American Federation of Teachers; the second by William P. Clarke and Harvey H. Harshman, delegates of the American Flint Glass Workers' Union of North America; and the third by James A. Duncan, delegate of the Seattle, Washington, Central Labor Council.

The Committee on Resolutions, to which the unemployment insurance resolutions were referred, submitted a report expressing "its emphatic approval" of the declaration of the Executive Council in opposition to unemployment insurance.

William Green, president of the American Federation of Labor, closed the discussion on the report of the Resolutions Committee. The convention without a record vote adopted the report of the Committee on Resolutions. The text of President Green's speech follows:

The subject matter comes before the convention because the Boston convention of the American Federation of Labor directed the Executive Council to make an exhaustive investigation and study of unemployment insurance and to report the results of that investigation to this convention.

The Executive Council endeavored to carry out those instructions.

It was impossible to investigate the subject without making a study of the experiences of our fellow workers across the sea, who had really pioneered in this social justice experimentation.

We examined carefully, so far as it was within our power to do, the experience of our fellow workers in Great Britain, in Germany, and in other sections.

It is for that reason you find in the report the result of these investigations made in a sympathetic and impartial way.

The Committee on Resolutions, to which this report was referred, evidently gave very thoughtful consideration to all the facts and all the information, all the circumstances surrounding the subject, and has brought to this convention its report.

In a previous section of the report of the Committee on Resolutions you will find recommendations regarding the policy that we believed should be pursued in securing relief for the unemployed. That part of the committee's report has been adopted by the convention.

Relief Necessary

Now it is very easy for us to confuse the two propositions, one of securing relief for the unemployed and those dependent upon them, and the other proposing that the American Federation of Labor approve some definite, concrete plan of unemployment insurance.

I am moved very deeply by the distressing situation which prevails throughout the nation, so much so that I can scarcely speak upon it in a conservative way.

I am willing to go anywhere or any place, using the power that I possess, representing the American Federation of Labor, to secure adequate relief for the unemployed and those dependent upon them.

Appeal to Congress

I am willing to go to the Congress of the United States and demand, if you please, in the name of the millions of workers of the American Federation of Labor, that the wealth of the United States be appropriated in this great emergency to relieve distress and feed the hungry.

There is no one who is touched more deeply by this situation, and so far as it lies within my power I propose to go, in the name of the Executive Council and with the Executive Council, to the Congress of the United States as soon as it convenes and there tell them, in the name of Labor, that an emergency exists in the United States comparable with the emergency that existed during the war, and that we are knocking at the doors of Congress now, in the name of those millions, and that we shall appeal and demand that Congress, without further delay, appropriate a sufficient amount of money, let it be millions or billions, in order to feed the hungry and care for them.

But, my friends, there is a difference between that procedure and the commission of this movement to a permanent, definite plan which involves very fundamental principles, principles upon which our great union rests.

Judgment Required, Not Emotion

In dealing with these matters there are two forces which pull heavily upon us. The one force pulls at our heads and the other at our hearts, and we find ourselves alternating betwen the exercise of our judgment and our feeling.

You men who have gone through this experience of conflicting emotions know whether it is most safe to follow feeling or to follow judgment, and now is the time when, in my opinion, the best judgment of this great organization, represented here by this delegation, should and must be exercised.

American Unions on British Pattern

Some one said we did not pattern our movement after that of any other nation across the sea.

I think perhaps that was a mere statement that had not been studied or thought out.

The facts are that we have patterned our movement after the movement of the mother country.

In Great Britain they experimented with trade unions long years ago. First it was the guilds struggling for recognition. Then came the trade union movement, organized upon an economic basis.

The movement there is older than ours. It was formed years ago. It has pointed the way.

Conditions Different in U. S.

It has taught us how to develop our economic strength, and we have endeavored in the new world, in these new nations of this new continent, to apply the lessons we have learned from the experience of our fellow workers in the mother country.

But, of course, like many others, we become young men in a hurry.

We want to do here in 50 years what our fellow workers across the sea have completed in more than a century, or perhaps two centuries.

We fail to take into account the difference in conditions—as I stated in previous remarks, the difference in governmental structure, the difference in nationality, the difference in race, the difference in the relationship of one's government to the other on the structural form we have set up here.

Strength of British Labor

Remember that unemployment insurance in Great Britain followed the establishment of the trade union movement, and bear in mind that the trade union movement in that great country exercised a tremendous influence, not only in the economic but in the social and political life of that great nation.

The structure had been set up, figuratively speaking, the machinery for the administration of this social justice scheme had been set up by the trade unions.

Trade unionism had been accepted in Great Britain as a fact, and the Trade Union Act gave it a legal standing, protecting it against the oppressive judicial procedure that we have been subjected to here.

They were in position to protect their interests. There was scarcely a manufacturing plant and no mines, so far as I understand, that were not unionized long before the Unemployment Insurance Act had been passed.

Must Protect Our Unions

Now here we are, the guardians of our movement. The Ark of the Covenant is here.

You come into this hall as the defenders and the protectors of trade unionism in the United States and in the Dominion of Canada.

There is imposed upon us the obligation to protect it, to defend it, and surely when we consider a fundamental principle such as is now being considered by this convention, involving the very life and existence of our movement, our duty is plain, and that is, first of all, to protect the movement that we love and represent.

And that is the thing I am afraid of. That is the thing that bothers me.

Permanent Jobless Relief

I am of the opinion that ultimately we shall arrive at the place where some form of permanent relief protection must be demanded by our movement.

I believe we are traveling rapidly toward that point, but I fear that the time has not yet arrived.

We can't have unemployment insurance without agreeing to a set-up that will, to a large degree, govern and control our activities.

You can't have it all one way. If you are to agree to submit yourselves to this proposal and the operation of this plan, then you must be willing to give up some of the things you now possess.

And what can we give up and yet maintain our movement?

You can't have an unemployment insurance plan without employment exchanges.

Insurance Jeopardizes Unions

You can't have an unemployment insurance plan without registration.

You must report, you must subject yourself in every way to the control of the law. And then, my friends, when the representatives of these employment exchanges are able to find you employment, when you are entitled to receive insurance benefits, you must accept the employment they find for you or give up your claim to unemployment insurance.

I believe that in some cities where our organization is struggling for existence the operation of that plan would destroy the union there, because if they find a union man a job in a non-union plant he must choose as to whether or not he will accept the job in the non-union plant or give up his unemployment insurance.

That to me seems an unfair position to place a union man in in the United States of America.

Non-Union Work for Union Jobless

My good friend, James Duncan, is working hard in Seattle to organize the automobile mechanics, and he is doing splendid work.

What might happen among these men in the event of unemployment insurance, with employment exchanges finding work for men wherever they could in Seattle?

If some of his union men were thrown out of work, placed on the unemployment insurance benefit plan, registered and reporting, and some of them calling for their pay were told, "We have a job for you over here in this garage that Jim Duncan has ben trying to organize," and they would say, "We don't want to go there because it is non-union," the employment exchange could say, "You go or lose your insurance."

How then could he succeed in the organization of the automobile mechanics?

Insurance Benefits British Workers

Now I think that our men in Great Britain, as Brother Mahon has said, have done the right thing.

Great Britain is a small island, the towns are closely located in reference to each other.

There is one language, one people, one nationality, one tongue, and trade unionism is the dominant force in the political life of that great nation; the shops and factories largely organized.

Why wouldn't it work there? Of course it works, and it works successfully, and I commend the British workers for the splendid work they have done.

If a man there calls for his insurance benefits and the exchange tells him they found a job for him, the probabilities are that they found it for him in a union establishment where he can work.

That is because the country is more thoroughly organized than we are here.

But they can require him to take the work, because my good friend, Brother Wolstencroft, in the splendid address he delivered the other day, brought that point out forcibly.

Compulsory Work for Jobless

I think it is worth while quoting just now. Dealing with the question of compulsory acceptance of employment, the compulsory submission of men to accept the work found for them by those who administer the unemployment benefits, Brother Wolstencroft said:

> **Do the delegates here assume for one moment that my organization would allow 153,000 pounds of our funds to be paid out if there was work for our members to obtain!**
>
> **And our members are only entitled to receive unemployment benefits when they are prepared to look for and obtain employment, and that applies to every person who deposits his card with the Employment Exchange.**
>
> **There is no payment for the first six working days.**
>
> **Those who want the benefits must attend at the Employment Exchange and sign the book three days a week.**
>
> **The officials of the Employment Exchange can offer employment to any person who is signing the unemployment book and it need not be in the particular trade or occupation in which the person is engaged.**
>
> **For instance, if a member of my organization is signing for state unemployment benefits and there are no vacancies in the building industry, the Employment Exchange officials can say to the members of my organization, "Here is suitable employment, in our opinion, during these times, which you should take."**

I take it for granted that means if a carpenter is out of work and the employment exchange finds him employment in some other line or trade and they think it is suitable, he must take it or give up his unemployment insurance.

Quoting further:

> **And if the member of my organization says, "No, I am not prepared to take that employment," then immediately his benefit is stopped and not another penny is paid until he has attended before a Court of Referees, composed of one workman, one employer, and an independent chairman appointed by the government.**

Keepers of the destiny of this American Federation of Labor, running the risks of this continued fight made upon us, existing only because of the courage of our movement, do we want to place our members in that position where they may be compelled to decide as to whether or not they will accept employment in a notorious non-union plant in America or give up their unemployment insurance benefits?

Labor Laws Valueless Without Unions

I fear for this alone, because our workmen's compensation laws in America mean nothing without our union.

Our social justice laws mean nothing without the force of our economic power and strength.

The laws on the statute books are not made vital and operative without our union standing up, requiring, compelling the enforcement of those laws, and if we weaken this, if we destroy it, if we exchange our union for this plan, then we are to blame if our union is almost destroyed.

How can you build under such circumstances?

Strengthen Trade Union First

Let us build our union first, let us extend it, let us strengthen it, and then think about coming forward along more progressive social justice lines.

I am one of those who still feels that after all the salvation of the masses of the people in America depends very largely upon the development of our economic strength.

I believe our salvation lies there.

We can stop wage cuts if we are organized. We can establish the five-day week if our union is strong. We can do many more things if we can organize the unorganized.

That is our aim and our ambition.

How can we do that if we strike a blow at ourselves and weaken ourselves, endanger our very security and our life and our standing?

Mass Protests Against Wage Cuts

I read a few days ago a report of what had developed in Great Britain following the almost amazing thing that happened in the Parliament of that great country.

You will recall that in balancing the budget it was decided that the wages of government employes would be reduced, the wages of the civil service employes, the school teachers, the men of the army and navy—all were to be reduced 10 per cent.

Well, we read about the civil service employes marching in protest against this reduction in wages and a spirit of opposition was shown, but, behold you, the startling announcement was made that the sailors on His Majesty's fleet had not marched, but had actually struck against a reduction in wages, and that the fleet was sent to the home waters because the navy had struck.

There was a manifestation of the economic strength of these men, and while we do not wish to place upon that our approval, nevertheless, it was a significant development and the next announcement was that the grievances of the sailors were being considered and adjusted.

Destruction of Unions Feared

Let us not weaken our economic strength, our economic power, but let us develop it, let us make ourselves strong before we engage in experimentation and inject into our movement, through the adoption of an unsafe policy not suited here, that which will pull at our vitals and destroy our trade union structure.

5,600,000 JOBLESS, AFL SURVEY DECLARES

Washington, Oct. 24.—There are around 5,600,000 unemployed workers in the United States, according to figures made public by the Monthly Survey of Business of the American Federation of Labor.

"Unemployment increased again in September," the Survey says. "Trade union weighted figures now show 19.5 per cent out of work as compared with 19.2 per cent in August and 18.8 per cent in July. Unemployment is now almost at last winter's peak. This increase in the number out of work in industry, together with layoffs on farms after crops are in, brings our estimate of unemployment up to 5,600,000."

"Measures to maintain workers' incomes and provide work for the unemployed are of immediate urgency," continues the Survey. "Labor's constructive program includes maintaining wages, shortening hours to share work, assuring employment, creating jobs, strengthening employment agencies, financial relief from public and private funds."

The Survey finds that "underlying factors in the business situation are gradually improving."

D. F. MANNING, WASHINGTON TRADES UNIONIST, DIES

Washington, Oct. 24.—Dennis F. Manning, long identified with trade union affairs here, died suddenly from apoplexy. He was connected with the American Federation of Labor for 25 years and for the last eight years had been with the Veterans' Bureau.

Mr. Manning was 52 years of age. He was born in Baltimore in 1879 and came to Washington with his family in 1900. He is survived by his widow and six children.

COSTIGAN ASKS FEDERAL IDLE AID, SHORTER HOURS

Washington, Oct. 24.—Federal relief for the unemployed to whatever extent may be necessary to keep them from suffering should be generously granted, declared United States Senator Edward P. Costigan on his arrival here from Colorado.

Senator Costigan said also that unemployment should be reduced by more effective employment agencies, more restraints on immigration in periods of depression, substitution of adult for child labor, an elastic program of State and Federal public works, broadening as the needs increase, and by shortening working hours and increasing wages.

"Accident, sickness, old-age and unemployment insurance," he said, "should be actively and scientifically favored. To met the wide danger of human starvation in this hour of emergency, needed public construction and other public employment should be pressed under Federal and State appropriations.

"To meet our national needs of social justice and sounder distribution of wealth, Federal taxes on excess profits, increased levies on incomes in the higher brackets and large collections on inheritances and gifts must be made."

He will also give his unqualified support to legislation restricting the power of the courts to issue injunctions in labor disputes.

SOUTHERN EDISON GIVES EMPLOYES 5-DAY WEEK

Los Angeles, Calif., Oct. 24.—The Southern California Edison Company has placed its employes on a five-day week, according to a statement by John R. Miller, chairman of the board. Miller says the shorter work week provides jobs for 500 employes who otherwise would have been discharged.

The five-day week order does not increase wage rates. Consequently the earnings of the employes are reduced approximately 9 per cent.

MASS WELFARE NECESSARY TO SAVE CAPITALISM

Madison, Wis., Oct. 24.—A revised capitalist system, providing high wages, low prices and short working hours, must take the place of the present system or it will be supplanted by a new system, such as Communism, Glenn Frank, president of the University of Wisconsin, declared in an address here.

"My personal position," the president stated, "is that free capitalism and personal liberty are sounder than Communism. But western capitalism must effect one great change. It must become mass conscious.

"Both old and new capitalism believed that the free pursuit of private ends was the royal road to public good. It is increasingly recognized by modern capital and industry that they must discharge their social functions."

"Millions of men and women," he continued, "are chilled by the fear of possible unemployment. They are ready to listen to a skeptical critique of capitalism. Undue continuance of the depression will render these millions sensitive to substitute systems which promise to make the welfare of the masses come first."

Dr. Frank said that prior to the crash in 1929 one-fifth of industry was operating under the principles of the new capitalism—high wages low prices and short working hours—as opposed to low wages, high prices and long working hours. The hope of capitalism lies in the avoidance of revolution by practicing the former, he stated.

SPECIAL ISSUE

This issue of the American Federation of Labor Weekly News Service consists of two pages.

In addition to President Green's speech on unemployment insurance before the 1931 A. F. of L. convention and current news, it contains the concluding articles reviewing the report of the Executive Council to the convention.

LA FOLLETTE ASKS PUBLIC WORKS FOR IDLE RELIEF

Champaign, Ill., Oct. 24.—"The Government should exercise all the power it grasped during the war" to bring rehabilitation from the economic depression, United States Senator La Follette of Wisconsin told a University of Illinois audience here.

"If the purchasing power of the people is to be restored, we must have a comprehensive program on the part of the Federal Government which will help in fighting the depression," the Wisconsin Progressive said. "This program should include a tremendous public works bill. It should include also a plan for the stabilization of industry and legislation to afford relief to farmers."

The senator said he believed President Hoover's plan for a credit corporation to liquidate banks' frozen assets was good in that it postpones additional bank failures, but that he does "not regard it as a solution for the economic situation."

SWOPE'S EMPLOYES ADOPT DIVISION OF WORK SCHEME

Schenectady, N. Y., Oct. 24.—Officials of the General Electric Company announced that 98 per cent of the company's eligible factory workers here had approved the plan of Gerard Swope, president of the company, for a division of work to prevent further layoffs between November 1 and April 30, 1932.

The plan provides that all workers on the pay roll on November 1 shall be paid during the six months not less than the equivalent of one-half of their average weekly earnings for full time work, but not less than an average of $15 a week unless actual earnings are more than this figure, in which case the employes will be paid their actual earnings. **This means a possible 50 per cut in earnings.**

Officials of the General Electric secured approval of Swope's wage slash plan under the so-called "company union."

EMPLOYERS WARNED NOT TO REDUCE WAGES

Cincinnati, Ohio, Oct. 24.—"Rate increase or no rate increase, the responsibility for maintaining wages cannot be sidestepped by railroad management," declares the Railway Clerk, the official journal of the Brotherhood of Railway and Steamship Clerks, in an article stressing the importance of maintaining wage rates in the railroad industry as the key to keeping up rates among the workers generally.

"It is their responsibility and theirs alone if they attempt to reduce wages in face of the fact that interest and dividend payments to railway security holders during the depression year of 1930 and the first five months of 1931, were greater than the boom year of 1928.

"With dividends increasing 8 per cent while wages declined 12 per cent; with the working force reduced by 350,000 and scores of thousands working part time, it is a responsibility which management cannot shift if they attempt to saddle upon the backs of employes more of the burden of the depression than they are now carrying, and have been carrying for two years."

In commenting on the statement by the Railway Age, a railroad owners' journal, that a movement by the executives of the railroads to reduce wage rates for railway employes would be followed by similar actions by the executives in other industries, the Railway Clerk says:

"Such an eventuality would be nothing short of calamitous to the country.

"A general lowering of wage rates would surely prolong the depression. It would aggravate unemployment and spread misery among the employed.

(Continued on Page 2, Column 4)

UNEMPLOYMENT HITS PULLMAN CONDUCTORS

Kansas City, Mo., Oct. 24.—"Pullman conductors who have been furloughed, with little hope for immediate re-employment, are naturally wondering what is being done in their behalf," says the Sleeping Car Conductor, the official journal of the Order of Sleeping Car Conductors.

"It is through a combination of circumstances that they are out of employment. The number of trains carrying Pullman cars has been reduced and to this extent the loss of jobs is unavoidable. Aside from this, there are many Pullman conductors out of work who have a just complaint. Their work still exists, but they are being denied the opportunity to perform it. Lower-paid employes have been given their jobs.

"The Pullman Company refuses to add any more conductors to regular lines as a means of relieving distress. If this plan had been followed out, as

(Continued on Page 2, Column 5)

COMPANY STORES GOUGE KENTUCKY COAL MINERS

Indianapolis, Ind., Oct. 24.—"Inhuman practices on the part of the non-union coal operators in western Kentucky which have been in effect for months are being continued and give promise of extending into the winter," declares the United Mine Workers Journal, the official publication of the United Mine Workers of America.

"What chance the poor miner will have in cold weather, with his small vegetable garden a thing of the past, rests entirely on the coal operators.

"Heading the list of indignities heaped upon the miner's head is the infamous company store, the festering sore on the body of greed and avarice encouraged and supported by the penny-wise-and-pound-foolish coal companies.

"The Pluck-Me store is not a myth in western Kentucky. It is so real that a large part of the miner's trouble rests upon its doorstep. After forcing the miner to work long hours under the worst conditions possible, stealing from him by short-weighing the coal he digs, paying him as low as 15 cents a ton for his labor, the coal company then wallops him again at the company store, where he is forced to trade because he has no money to buy at an independent store.

"A survey of prices charged at company stores and compared with prices at independent places shows an overcharge of from 10 to 65 per cent which the miner is compelled to pay if he desires to keep body and soul together, and ward off starvation from his wife and children."

LABOR PLANS DRIVE TO AMEND VOLSTEAD ACT

Washington, Oct. 24.—The committee of the American Federation of Labor for the modification of the Volstead Act announced a drive to change the dry law in accordance with the resolution adopted by the recent convention of the Federation in favor of legislation to permit the manufacture, sale and distribution of beer containing 2.75 per cent of alcohol by weight.

The statement made by Chairman Matthew Woll and Secretary Ira N. Ornburn said in part:

"There have been those who fearful of the progress we are making have sought our defeat by raising the cry that modification of the Volstead Act as urged by our committee and the American Federation of Labor will bring back the old saloon and all its attendant evils. We have no hesitation in saying that if that were true, and those who raise that cry know that it is untrue, such a condition would be 100 per cent better than now prevails.

"However, all who approach the question with an open mind, know that there is no possibility of the saloon returning. Our program does not contemplate the return of the saloon. We do not want the saloon. Nor do we want to take from the National Government control over the manufacture and sale of the malted beverages we ask to be made legal.

"Then, too, all of our States would have authority and power to enact such additional laws as will make impossible the licensing of any saloon or other place for the sale of malted beverages of the alcoholic content urged by the American Federation of Labor and our committee.

SEAMEN STRIKE AGAINST DISCHARGE OF FIREMAN

Sydney, Australia, Oct. 24.—The Seamen's Union here declared a strike against four steamers, the Canberra, Wear, Time, and Dimboola, because the owners of the Canberra discharged a fireman as undesirable.

Six-Hour Day Only Real Remedy For Jobless Hearst Declares

William Randolph Hearst has come out in support of the six-hour day as the only adequate remedy for unemployment and urges a national industrial conference of employers and representatives of trade unions to discuss conditions for its immediate application.

The reasons which impelled Mr. Hearst to advocate the shorter work day are set forth in an editorial in the Hearst papers headed "Six-Hour Day Eventually, Why Not Now?"

"The time has come for Amreican employers and labor leaders to come to grips with the fundamental facts concerning unemployment," the editorial says.

"Leaders must be reminded that business exists for the **service of men.** The ironic maladjustments in industry, with **glutted markets** on the one hand and **undernourished people** on the other, constitute a serious indictment of management in the large.

"Business has been depressed because executives were slow to discard outmoded ideas.

"In order to sustain prosperity through maintaining an adequate home consuming market, business must share with workingmen more liberally the fruits of the improved industrial efficiency, resulting from greater use of labor-saving machinery and from improved technique of operations. Failure to do so precipitated the present crisis.

"In emphasizing that the time was at hand for another reduction in the hours of labor, William Randolph Hearst pointed out:

> **"'Labor-saving machinery makes a reduction of hours possible, and, in fact, necessary. Otherwise vast numbers of working people will be thrown out of employment.**
>
> **"'It has been the habit of the employing classes to take the full benefit of labor-saving machinery and capitalize it, depriving the working people of their due share of the benefit.**
>
> **"'The advantage of labor-saving machinery should be distributed to the employers in greater profits, to be sure, and to the consumer in cheaper prices; but, above all, to the working people in shorter hours, better wages and better living conditions.'**

"With the demand and supply of manpower out of balance, American industry should immediately consider ways and means of adjusting itself to the six-hour day.

"Routine minds will find many reasons why the proposal will not work. The same negative reaction followed the campaign for an eight-hour day instead of a ten or twelve-hour day.

"But, in spite of reactionary rhetoric, the inexorable force of economic pressure is already compelling large-scale industrial experiments in spreading jobs among wider groups of men.

"A leading industrial statistician estimates that general adoption of the six-hour day would increase the present number of wage earners in industry alone by at least two million persons.

"Under the aegis of the Manufacturing Chemists' Association, leading corporations in the chemical industry have recently inaugurated the six-hour day in order to spread available work among the greatest number of workers.

"The president of one of the leading corporations in that industry, in a statement to the Hearst newspapers, declared:

> **"'While the immediate cause of our adopting the plan was emergency relief, it may well be that it will become a permanent policy.'**

"Thus, creative leaders use an acute crisis as an opportunity for building sounder and more humane economic policies.

"A leading American cereal manufacturer, who pioneered with the six-hour day, has reported that the productivity per worker has increased 3 per cent to 4 per cent.

"The Hearst newspapers accordingly urge enlightened employers and representatives of trade unions to confer immediately to discuss conditions under which the six-hour day in industry may be promptly ushered in.

"The proposal is especially timely for public utilities, railroads, foodstuff trades, and other relatively stable industries which are still operating on reasonably full schedules, despite the depression.

"Under conditions of prosperity, a six-hour day will enable the worker to enjoy longer leisure, and to develop along cultural lines."

GREEN BACKS HEARST SIX-HOUR DAY PLAN

William Green, president of the American Federation of Labor, spoke in commendation of William Randolph Hearst's declaration in favor of the six-hour day.

"I commend highly the stand taken by Mr. Hearst," he said, "and believe the influence he exercises through his newspapers will play a constructive part in bringing this necessary initial step in industry to a realization.

"The introduction of modern machinery and power has increased the productive capacity of the individual in industry 50 per cent.

"How is it possible to operate these machines and supply work for millions six days a week?

"The solution is the shorter work day and the five-day work week, and they ought to be established immediately. We will never rest content until they are established."

On wage reductions, Green said:

"Every reduction of wages that has been made has only aggravated the situation and increased the spread of misery among the unemployed."

He stressed the fact that a 10 per cent wage decrease in one large Eastern industry resulted in a loss to the consuming public—the buying power of the workers—of $30,000,000 yearly.

Steel Companies Cut Wages to Protect Dividends, AFL Business Survey Says

Washington, Oct. 24.—The United States Steel and Bethlehem Steel Corporations are severely criticized by the Monthly Survey of Business of the American Federation of Labor for breaking the wage maintenance agreement made with President Hoover in 1929 by their recent wage slashes and for failure to set aside reserves in recent prosperous years to prevent wage cuts during the present depression. The Survey declares that both these corporations cut wages to make up deficits caused by paying dividends which were not earned.

Steel Concerns Violate Wage Truce

"Wage cuts by the United States Steel and Bethlehem Steel corporations during the last month were sharply in contrast to the constructive policy of wage maintenance laid down by the President's Conference of 1929," the Survey says. "Representatives of both corporations were parties to the wage truce. Their wage cuts now add to depression forces at a time when the nation can little afford to drive business further downward.

U. S. Steel Cut Wages for Dividends

Replying to the claim of the wage cutters that the 10 per cent wage slash of the United States Steel Corporation was "necessary," the Survey points out that in 1929 the corporation earned the full dividend on its preferred and common stock and had a surplus for the year of $108,000,000, and that in 1930 dividends were earned with a surplus of $18,000,000.

"The story for 1931 is different," the Survey continues. "During the first six months the steel company earned only 17 cents a share on common stock, although a dividend of $3.50 was due. In the third quarter the dividend was reduced from a yearly rate of $7 to $4. That is, although the company earned only 17 cents per share on its common stock in the first half, it paid out $3.50 and will pay $2 more per share before the year is out, unless another change is made in the dividend rate.

"In other words, the company's dividend payments will amount to $47,800,000, of which it has thus far earned only $1,500,000. Prospects for earnings in the second half are not as good as the first, therefore the company faces a deficit of at least $45,000,000 to meet these dividend payments. The wage cut will save about $5,000,000 toward this deficit, the rest must be paid from surplus.

"The surplus of 1929 amounted to $108,000,000, of 1931 to $18,800,000, a total of $126,800,000.

"Only a very small portion of this would have created a reserve sufficient to make up the $5,000,000 wage reduction.

"This sum is small compared to the $40,000,000 which will be taken for dividend payments. The wage earners played an essential part in creating this huge surplus. They invested in the industry their entire chance to make a living. Should not the firm recognize its responsibility to them as well as to the stockholders? Reserves from this huge surplus could have carried wage payments well into 1932, allowing time for the business situation to clear.

"U. S. Steel could well afford to wait. Standard Statistics says: Its 'financial position is exceptionally strong. Any extensive recovery in business in 1932 would be followed by rapid expansion of earnings.'"

Bethlehem Victimizes Labor

In discussing the wage cut decreed by the Bethlehem Steel Corporation, the Survey points out that in 1929 the corporation officials increased wage payments $10,000,000, dividend payments $14,000,000, and ended the year with an operating surplus of $19,600,000. In 1930, the officials increased dividend payments $3,600,000 and reduced wage payments $16,600,000 by layoffs. The dividend increase was not warranted by earnings, which were only $5.26 a share on common stock, but the officials paid $6 a share and took the deficit of around $2,500,000 from the 1929 surplus.

"In the first half of 1931," the Survey says, "Bethlehem Steel earned no dividends whatever on common stock and only $3.29 of the $7 due on preferred stock. Dividends on common stock were reduced from a yearly basis of $6 to $4 for the third quarter, then again to $2 for the last quarter; dividends on preferred remained the same. Total dividend payments on common and preferred stock will amount to $21,000,000 this year.

"These payments at the present rate of earning will leave the company with a deficit of about $17,700,000 by the end of the year. The wage cut will make up about $3,500,000 of this deficit.

"The 1929 surplus of $19,600,000 had it been equitably divided could have established reserves to cover the $3,500,000 wage cut, and held the wage level into 1932. The company's prospects for recovery are good; it could afford to wait. Standard Statistics says of Bethlehem Steel: 'This company will undoubtedly participate more promptly in general business revival than most units in the industry.'

"In both these cases wages were cut to reduce a deficit created by paying dividends which the company had not earned. Business in general will not benefit from these cuts through price reductions, for the companies are making every effort to hold price levels."

EXTEND STATE INSURANCE FUNDS, AFL COUNCIL SAYS

The large increase in premiums demanded by private insurance companies for workmen's compensation insurance creates a favorable opportunity for extending State-owned-and-operated insurance funds, the Executive Council of the American Federation of Labor declared in its report to the 1931 convention of the Federation.

"During the next two years," the report stated, "opportunity will be presented to appeal to State legislatures to adopt the State insurance fund instead of permitting private insurance companies to continue to insure employers under the workmen's compensation laws.

"The National Convention of Insurance Commissioners has decided that there should be an increase in private insurance rates averaging 13.4 per cent nation wide but varying in individual States from no change in the present rate level in Iowa and South Dakota to an increase of 57.9 per cent in Oklahoma.

"The Executive Council believes that the employers in the United States who have persistently opposed the creation of State compensation funds have, because of the excessive rates charged by private insurance companies, changed their minds and will now support legislation that will decrease the rates paid for such insurance. The only way by which a decrease can be obtained is through the creation of a State fund.

"It is admitted that the cost of administration in private insurance companies in this branch of insurance is 38 per cent and more while the cost of the administration of the State fund of Ohio is only 1 per cent of the insurance funds collected by the State.

"There was never a better time than now to urge legislatures to adopt the exclusive State insurance fund and prohibit private insurance companies from engaging in the sale of workmen's compensation insurance."

AMERICAN FEDERATION OF LABOR
WEEKLY NEWS SERVICE

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Labor Conditions at Hoover Dam

The action of the 1931 convention of the American Federation of Labor in authorizing President Green and the Executive Council of the Federation to make a thorough investigation of wages and working conditions at Hoover Dam is an important step toward securing equitable treatment of labor on that gigantic construction project.

The resolution protesting against the labor conditions, introduced by H. C. Clark, delegate of the Central Labor Union of Las Vegas, Nevada, declared that Six Companies, the concern which has the contract for the construction of Hoover Dam, pays wages far below trade union scales and described the working conditions as intolerable. "It is almost impossible," the resolution said, "for men to work in the outrageous heat at Hoover Dam, especially for a mere pittance, barely enough to feed and clothe them without any consideration of a living standard."

The resolution adopted by the convention provided that all authentic information in the possession of affiliated organizations "relative to wages and working conditions at Hoover Dam" be submitted to President Green, and that he be authorized to appoint a special committee "to inquire into the contracts involved and the relationship governing as well as into living and working conditions at Hoover Dam."

The resolution authorized the Executive Council of the Federation "to endeavor to bring about a conference between representatives of the contractors, the American Federation of Labor and the affiliated unions having jurisdiction over the sort of work performed at Hoover Dam, with a view of developing a joint agreement in relation to wages and working conditions to apply at the Dam site."

In addition, the resolution authorized the Executive Council to endeavor to obtain a Government inquiry into labor conditions at the Dam and to take any other action which in the judgment of the Council may be "necessary, proper and wise for the purpose of securing for the workers at Hoover Dam the improvement in wages and working and living conditions which they so sorely need."

Congressmen Bilk Federal Workers' Salaries

The subterfuge used by low-wage Members of Congress to deprive Government employes of their legal salaries by first authorizing them and then refusing the necessary appropriation to pay them was tersely pointed out by the Executive Council of the American Federation of Labor in its report on wages of Federal employes to the 1931 convention of the Federation. The Council said:

> **After the enactment of the Welch Act which provided an increase in wages for Federal employes became effective, the Comptroller General decided that it did not apply to certain low paid employes.**
>
> **The Bureau of the Budget recommended that they be protected.**
>
> **However, no appropriations were made for the increased salaries.**
>
> **Representative Wood, chairman of the House Appropriation Committee, however, objected to this increase for the low paid employes.**
>
> **The treasury-post office appropriation bill, the first to be introduced, contained a clause prohibiting a salary increase to a single Federal employe payment of whose salaries is covered by the Classification Act.**
>
> **This Act provided that as Federal employes stepped up into the higher grades their wages should be increased.**
>
> **Chairman Wood's proposal passed the House but was stricken out in the Senate.**
>
> **The result is another instance of the frequent disregard of the rights of Federal employes by certain Congressmen.**

The A. F. of L. convention agreed with the Executive Council in condemning the congressional sniping of Federal employes' wages by refusing adequate appropriations and recommended that the Council "continue to insist upon the proper application and administration of the Welch Act in accord with its original intent and particularly to the end that the lower paid groups of Government employes shall not be discriminated against by a denial of earned wage increases."

Study of Labor Press and Labor News Services

The 1931 convention of the American Federation of Labor adopted a resolution directing the President of the Federation to appoint a committee to study the effect of the industrial depression on the weekly labor press and labor news services and make recommendations to strengthen their position to the Executive Council.

The resolution was introduced by I. M. Ornburn, delegate of the Cigar Makers' International Union, favorably reported by the Committee on Resolutions, and adopted unanimously by the convention. The text of the resolution follows:

> **Whereas, The weekly labor press is today an indispensible part of the organized labor movement, without which there cannot be a proper distribution of information or a proper presentation of the ideals and principles of the trade union movement; and**
>
> **Whereas, The industrial depression has already made serious inroads upon the weekly labor press and promises to make still further inroads, due to the fact that great portions of local movements are impoverished through unemployment; and**
>
> **Whereas, It will be a calamity to the trade union movement and to human progress if a weakening of this vital fighting arm of our movement is permitted to suffer in this crisis; and**
>
> **Whereas, The strength of the weekly labor press is today more than ever a vital concern of our whole movement and by no means merely the concern of those individuals and local bodies that have been courageous enough to launch such publications; be it, therefore**
>
> **Resolved, That the President of the American Federation of Labor is hereby directed to appoint a special committee of five, of which he shall be a member, to study the situation surrounding the weekly labor press and news services and to make recommendations to the Executive Council, these recommendations to be placed before the Executive Council prior to its winter quarterly meeting; and be it further**
>
> **Resolved, That the Executive Council be authorized to give effect to the recommendations of the special committee so that the labor press may be strengthened.**

In this connection it will not be inappropriate to refer to the origin of the American Federation of Labor Weekly News Service and the assistance which it renders to the labor press.

The 1910 convention of the American Federation of Labor adopted a resolution in favor of publishing a "weekly letter" covering matters affecting labor. In accordance with this resolution, the Executive Council of the Federation established the American Federation of Labor Weekly News Letter on April 8, 1911. Later the name was changed to the American Federation of Labor Weekly News Service.

The American Federation of Labor Weekly News Service is unique among labor news services.

It is owned and published by the American Federation of Labor.

Like all A. F. of L. activities, it is under the control of the Executive Council of the Federation.

It is edited to interpret the declared policy of the Federation.

It is supplied to the labor press without charge.

It is one of the important contributions of the American Federation of Labor to the maintenance of our labor papers, which, as the Executive Council tersely declared in its report to the 1931 convention, "constitute a chain of sentinels on guard for the cause of mankind."

PUBLIC EMPLOYMENT AGENCIES ENDORSED

Public employment agencies are one of the essential features to connect the unemployed with jobs and to create work for the jobless. This is the conclusion reached by the Executive Council of the American Federation of Labor in its report on unemployment prevention to the 1931 convention of the Federation.

"Unless the work of directing the unemployed to employment opportunities is effectively organized," the Council asserts, "there will always be delays in connecting workers with jobs at hand. When a job means such essential and constructive relief every effort should be made to conserve its utilization.

"Every industrial community ought to have a public employment agency so efficient as to command the respect of employers and employes. This office should have its contacts with industries and all employing groups and have at hand that specialized information of job requirements necessary to render satisfactory service.

"In addition to conserving all available jobs, the local employment service can extend its usefulness by helping to make the public conscious of responsibility to provide all work possible, such as repairs, cleaning, building; service positions. The director of an employment service has a creative as well as an administrative responsibility.

"Effective organization of the labor market and every possible vigilance to increase the number of jobs available, is essential economically in order to provide the consumer buying power upon which production depends.

"Those industrialists who are efficient managers have widened the scope of their planning to include the full cycle of forces that affect their production. Every industrialist must buy, sell, and plan production over a period of years. He must understand and work with the principle of industrial balance.

"The employment service is a fundamental tool in maintaining consumer buying, which is the ultimate balance for all production."

RAILWAY MERGERS MUST GUARD RAILWAY WORKERS

Railroad mergers should contain provisions protecting railroad employes and be supervised by the Interstate Commerce Commission, the Executive Council of the American Federation of Labor declared in its report on the problems of railway employes to the 1931 convention of the Federation in Vancouver.

In discussing the decline in net earnings on approximately $26,000,000,000 invested in the railway industry the Council said consolidation of the railroads and increase in freight rates had been advanced to remedy the situation.

"Recognizing the economies to be secured through consolidation," the Council said, "the railway unions interposed the condition that plans for mergers should include provisions to care for the equities of those employes who would be affected by the changes.

"Railway employes organize their whole lives around their jobs and pour into it all their work capacities. Changes in the industry must take into consideration the consequences to these worker investments as well as to communities.

"We believe that mergers, whether brought about through holding companies or openly, should be supervised by the Interstate Commerce Commission and that this consideration of the personal investment should apply equally

"Every industry that renders an essential service to society has a right to earn a fair return. We believe the development of competitive conditions in the transportation industry should be carefully watched and studied so that the best interests of the carriers and those served should be steadily maintained."

BUTLER SUGGESTS ARMY FOR 1,000,000 JOBLESS

Washington, Oct. 24.—Enrolling one million unemployed in the United States Army, Marine Corps, and Navy is advanced by Major General Smedley D. Butler, retired, U. S. Marine Corps, as a Government measure to relieve unemployment. Enrollements would be on a voluntary basis and limited to single men without family obligations.

Under General Butler's plan the Government would feed, clothe and house the "peace-time army" for the duration of the business depression. He claims there are enough unoccupied army camps to provide adequate housing.

The men would be given vocational training of various sorts to better equip them for outside jobs when work is available. Athletics would be substituted for military training. The work provided would be such as did not compete with outside labor.

General Butler estimates it would cost the Government $400,000,000 or $500,000,000 to care for the army of a million for one year, but he points out that the sum is not large in view of the fact that the Government gave up more than $250,000,000 a year to help world-wide conditions under President Hoover's debt moratorium.

"It is not to be considered as a charity nor a dole," General Butler explains. "These men would be giving their time and energy in return for their 'keep'. It is merely giving them a measure of liberty, a chance to live and the opportunity to pursue happiness."

ANTILABOR CONGRESSMEN KILLED SEAMEN'S BILL

Antilabor members of the House of Representatives during last Winter's session of Congress blocked legislation designed to prevent the smuggling of immigrants as seamen into the United States, according to the report on the status of national labor legislation made by the Executive Council of the American Federation of Labor to the 1931 convention of the Federation.

"The practice has been for some shipowners to bring into the country from 25 to 100 extra seamen," the report said. "Many of them are Chinamen. Under the Seamen's Act a seaman can leave ship as soon as it reaches safe harbor. The surplus seamen immediately land and are absorbed in the population.

"The bill provided that every vessel must take out of the country as many seamen as it brings in. The bill has passed the Senate several times, but always met opposition in the House. Organiations of shipowners with the assistance of members of Congress have been the influences which prevented the passage of the bill in the House.

"Undoubtedly, 90 per cent of the members of the House would have voted for the bill. The administration was in favor of the legislation. Nevertheless, by ulterior means the bill was not permitted to come to a vote. Members of the House, who are alleged friends of Labor, circulated among the Representatives and urged them to object to suspending the rules to consider the bill. Several of those approached exposed this conspiracy, one representative making the charge openly on the floor of the House.

"Further efforts will be made in the next Congress to have this most necessary legislation pressed to success."

Japanese Employers Speed Up Workers to Protect Dividends

Tokyo, Japan, Oct. 24.—Extorting additional work instead of cutting wages has been resorted to by Japanese cotton spinning concerns to maintain profits and keep up dividends during the depression. The profits of some concerns have even been so large as to warrant extra dividends.

To meet the falling off in domestic consumption and exports the spinners reduced output drastically. Apart from this regulation of supply to consumption, the great factor for increasing earnings of the spinning mills was their successful reduction of labor costs by extorting more work from the employes.

"Mills have not been discharging operatives," says a well-known writer on Japanese textile labor conditions, "but an analagous position was brought about by not hiring new men and women to fill the vacancies created by sickness and other causes.

"No effort was made to cut wages of operatives, but similar results were obtained by getting more from employes for the same pay by increasing the number of spindles or looms per man.

"Whereas 253 operatives took charge of 10,000 spindles on the average in the first half of 1930, they were reduced to 217 in the last half of the same year and to 208 in the first half of 1931.

"In a number of mills, revolutions of spindles have been increased to 14,000 or more per minute as against the service speed of about 9,400.

"The upshot was that, whereas during the last half of 1930 annual ouput per operative of yarns stood at slightly less than 19 bales and of piece goods at 37,000 yards, during the first half of 1931 production was speeded up to 20 bales for yarns and 47,000 yards for cloth."

In 1930, before the drastic speeding up system was applied, there was a sharp contraction in cotton mill earnings so that a majority of firms had to appropriate reserves to maintain dividend rates. During the first half of 1931, since the speed-up, most front rank mills have made sufficient earnings to warrant increased dividends, while others will not be compelled to dip into surplus to maintain regular dividends.

EMPLOYERS WARNED NOT TO REDUCE WAGES

(Continued from Page 1)

"Wage reductions would most certainly result in a general lowering of the living standards of American workers. Once those standards are lowered it may take years to restore them. If the theory that high wages are essential to mass production—and the soundness of this theory cannot be seriously questioned—the lowering of wage rates would be a blow to industry from which it would take years to recover.

"The depression has been caused by our so-called high wages being too low, by the excessive profits of the few and the underpayment of the many, whose purchasing power would not absorb the flood of goods that industry produced. The way out of depression is not to aggravate the cause of depression.

"The welfare of the nation depends upon mitigating in every way possible the effects of the depression, and bringing it to an end as quickly as possible. The patience of the millions of unemployed and part-time workers has been strained almost to the breaking point. The belief is widespread that serious social disorder can only be averted by finding some way out of the depression.

"Those employers who advocate wage reductions—the very thing that will prolong the depression—those who adopt measures that will spread unemployment, increase poverty and want among the already sorely oppressed workers, are playing with dynamite.

"We are sitting on a powder keg. A spark might cause an explosion. A general attack upon wages might prove to be that spark.

"Organized Labor's responsibility in this situation is a tremendous one.

"In insisting upon the maintenance of wages, Labor is performing the highest patriotic duty."

DEVELOP IDLE LANDS BY THE UNEMPLOYED

Salem, Oregon, Oct. 24.—A 30-year bond issue to raise funds to provide work for the unemployed by developing Oregon's 150,000 acres of logged-off land and land held for taxes is advocated by Labor Commissioner C. H. Gram.

In explaining his plan, Gram says the land not suitable for homes would be reforested. The portion suitable for agriculture, he adds, would be "cleared up and put in shape for cultivating, utilizing the unemployed for this work at a wage not large enough to hold them from private employment but sufficient to enable them to sustain themselves without charity." Employment would be limited to persons who have been in the State for one year.

"The plan will create unemployment as needed," Gram points out. "It will eliminate everything suggestive of the dole, thus enabling families to retain their self-respect and be increasingly better citizens.

"It will eventually bring a lot of small home owners to the State who could not be secured in any other way. It will place the land back on the tax roll as soon as it is turned over to purchasers.

"We must abandon the thought of profit, either for the individual or for any interest. It is entirely a matter, first, of sustaining life, and then of diverting the efforts of the unemployed to new processes which will offer them security."

5-DAY WEEK UNIONISTS DISTRIBUTED IN 41 STATES

An interesting chart showing the distribution by States of the number of workers enjoying the five-day week is given in the report of the Executive Council of the American Federation of Labor to the 1931 convention of the Federation.

The State of New York heads the list with 188,089 five-day-week workers. New Jersey comes second with 44,784, Ohio third with 30,464, and Pennsylvania fourth with 30,164.

The complete list follows:

Alabama, 1,273; Arkansas, 7; California, 17,132; Colorado, 2,700; Connecticut, 5,034; Delaware, 240; District of Columbia, 7,602; Florida, 975; Georgia, 1,575; Illinois, 58,657; Indiana, 5,960; Iowa, 1,613; Kansas, 123; Kentucky, 1,582; Maine, 97; Maryland 7,561; Massachusetts, 16,771; Michigan, 4,672; Minnesota, 2,248; Missouri, 17,054; Montana, 887; Nebraska, 231; Nevada, 520; New Hampshire, 458; New Jersey, 44,784; New Mexico, 78; New York, 188,089; North Dakota, 80; Ohio, 30,464; Oklahoma, 2,152; Oregon, 5,354; Pennsylvania, 30,164; Rhode Island, 1,762; South Carolina, 67; Tennessee, 681; Texas, 3,517; Utah, 65; Vermont, 2,403; Virginia, 525; Washington, 6,560; West Virginia, 346; Wisconsin, 1,936.

Unions affiliated with the American Federation of Labor in Arizona, Idaho, Louisiana, Mississippi, North Carolina, South Dakota and Wyoming did not report any members as having the five-day week.

AFL COUNCIL SUPPORTS PHILIPPINE INDEENDENCE

The independence of the Philippine Islands is strongly advocated by the Executive Council of the American Federation of Labor in its report to the 1931 convention of the Federation. It is the belief of the Council that the wage standards of American Labor are endangered by Filipino immigrants whose migration to the United States cannot well be restricted as long as the Philippines are our insular possession.

"The sentiment for Philippine independence is growing fast in both Houses of Congress," the Council said.

"In order to prevent Filipinos coming to the United States, it is necessary that the Islands be given their independence.

"Many thousands of Filipinos are on the western coast and are gradually coming east. They are a growing menace to the standard of living of the wage earners of the United States, and we will do our utmost in the next session of Congress to have the Philippines granted their independence."

UNEMPLOYMENT HITS PULLMAN CONDUCTORS

(Continued from Page 1)

suggested by the President of the Order of Sleeping Car Conductors, there would have been no interference with the present agreement governing wages and working conditions and the large number of men now on furlough would have been continued on the job.

"In view of the attitude on unemployment taken by the President of the United States at his unemployment conference of 1929, such action would seem to have been expected, especially in the case of the Pullman company because of its favored financial position. Having no bonds outstanding on which to pay interest and with a surplus sufficient to continue the payment of regular dividend rates, there seems good reason for the employes to claim their right to continued employment.

"In so far as the loss of jobs due to the substitution of lower-paid employes is concerned, the Order of Sleeping Car Conductors contends this to be in violation of the agreement, and this is now in the hands of the United States Board of Mediation for final adjustment. In the meantime, it would be advisable for every conductor who has lost his job on this account to present a grievance of the matter in order to be included in the terms of the final settlement.

"Temporary plans for relieving unemployment of conductors have been suggested in various forms, some of which have been tried out. It is a sad commentary on our present industrial system that the employes who are in no way responsible for the present industrial depression are called upon to bear the major burden of relief. They are sharing their work voluntarily in many parts of the country and there is no doubt that additional sacrifices will be offered during the coming winter."

PAINT EMPLOYERS STABILIZE EMPLOYMENT

Washington, Oct. 24.—Employers owning and administering 60 representative concerns in the paint, oil and varnish industry have dismissed 17 per cent of their employes since 1929, according to a report made to Fred C. Croxton, assistant director of the President's Organization on Unemployment Relief, by George V. Horton, general manager of the National Paint, Oil and Varnish Association and the American Paint and Varnish Manufacturers' Association.

Mr. Horton said the dismissal of a much larger number of workers was avoided by "careful planning throughout the industry," and that by the adoption of "emergency measures" paint employers had "stabilized" employment so there would probably be no further layoffs—unless, of course, the business depression grows worse.

Mr. Horton's report indicates what employers mean by "stabilizing" employment. The 17 per cent of the paint, oil and varnish employes who have been dismissed or laid off were turned over, with their families, to the dispensers of public and private relief funds. The remaining 83 per cent still have their jobs, but the work provided is intermittent, and so are the wages. Mr. Horton's language is specific on this question. He says: "The spreading of work (part-time labor or staggering of shifts as a substitute for layoffs) has been the principal measure through which this degree of stabilization has been reached."

That is to say, 17 per cent of the paint and oil workers have been "stabilized" to the army of the totally unemployed, and 83 per cent are "stabilized" on part-time work with reduced earnings.

SALES TAX FAVORS RICH AND VICTIMIZES THE POOR

The sales tax is emphatically condemned as an attempt to relieve the rich from taxation and saddle it on the poor by the Executive Council of the American Federation of Labor in its report to the 1931 convention of the Federation.

"Although defeated year after year in every attempt to saddle the 'nuisance' under the name of 'sales tax' upon the people," the Council says, "another campaign has been launched to bring about that legislation in the next Congress.

"High public officials also have advanced the idea that the best way in which income taxes could be increased would be by decreasing the exemption of married men to $2,000 and single men to $1,000.

"The objective of those who pay high taxes is to relieve the well-to-do from taxation and place the burden upon those least able to bear it. The argument used in advocating the sales tax has been: If you tax the people so they do not know it they cannot object; but if they know they are paying a tax they will object.

"We pay an indirect tax on every purchase we make. In 1927 only 2.2 per cent of our then 114,000,000 population paid income taxes and three-tenths of 1 per cent paid 95.5 per cent of the total income tax. For 1930, 2 per cent of the population paid all the income taxes. These are Treasury figures.

"The only persons to be benefited by the consumption tax are the 2 per cent of the population who pay an income tax. On the other hand, the burden of taxation would fall upon the 98 per cent who do not pay an income tax. Besides they now pay an indirect tax on everything they buy. The 'sales tax' will increase that tax load."

AFL COUNCIL HITS AGE BAN FOR FEDERAL WORKERS

The Executive Council of the American Federation of Labor is emphatically opposed to an age limit for Government employes which is applied by the United States Civil Service Commission to applicants for Federal positions.

The 1930 convention of the Federation instructed the Council to confer with officials of organizations having members in the Government service to formulate a new policy appropriate to the needs of each group of Government workers.

"The conference was duly held with full and free discussion of all interested parties," the Council reported to the 1931 convention. "As a result thereof we recommend to this convention that a clear and definite declaration be made in opposition to the Government setting any maximum age limit for the applicants for appointment to Government service.

"When we oppose the age limit policy of private employers we are met with the position of the Government as support for their position."

British Unemployment Insurance

By F. WOLSTENCROFT

General Secretary, Amalgamated Society of Woodworkers of Great Britain

Editor's Note.—Mr. F. Wolstencroft, general secretary of the Amalgamated Society of Woodworkers of Great Britain, was one of the fraternal delegates of the British Trades Union Congress to the 1931 convention of the American Federation of Labor at Vancouver, B. C. In his address to the convention, Wolstencroft included an account of the operation of the British Unemployment Insurance Act and interpreted it from the viewpoint of the British trades union movement. He was influenced to do this, he said, because of the misinformation regarding British unemployment insurance which he had discovered was widespread in the United States. The unemployment insurance section of Wolstencroft's speech follows:

I think we should be lacking in our duty to the British trade union movement if we made no reference to unemployment insurance, in view of the statements that have already been made from this platform.

I am amazed at the misunderstanding which applies to the Unemployed Insurance Act outside of Britain, and I would remind the delegates that the insurance Act was introduced and placed on the statute books in 1911.

It was not a labor party that placed that Act on the statute books. Neither was it a labor party that extended the scope of the Insurance Act after the war.

And that, after all, should sink deep into the minds of everyone, in order that when criticisms are being made of the Insurance Act, it should be remembered that it was not the Labor Party that either introduced the Act or amended the Act following the close of the Great War.

One would think that the British workman preferred to stay at home and receive unemployment insurance rather than go out and seek work.

One would think that he received this money without giving anything in return, either in service or in money, but I would remind you that at the present time, those who are insured under the Insurance Act are paying 32 cents per week.

If any of you entered into a policy with an insurance company, and when the time came that you should receive for what you had paid, I am afraid you would strongly object to the insurance company saying, "Because we have had many claims upon our funds we are not prepared to meet your claim at the present time."

British Workers Not Loafers

The British workman is just as eager and willing to work today as ever he was in the history of Britain, and I am prepared to give the lie direct to any person who says that the Unemployment Insurance Act has made the British workman prefer to play and receive unemployment insurance rather than obtain employment.

National Health Insurance Is Solvent

The Insurance Act is in two parts—Part 1, Unemployment Insurance! Part 2, National Health Sickness Benefits.

You never hear any reference whatever made by those who are opposed to the Insurance Act to the National Health Sickness Benefits side.

Why? Because it is absolutely solvent. There are millions in reserve, and the benefits under that Act have been increased to an extent which would amaze you if only the facts and figures could be given to you.

Unions Increase Insurance Benefits

The trade unions can administrate unemployment insurance, they can administrate national health insurance, and as an illustration, my organization administrates Part 2 of the National Health Insurance Act.

As a result of our administration we have increased the statutory weekly sickness benefit payment from 15 shillings per week to 22 shilling per week, and we have carried forward for the next valuation hundreds of thousands of dollars in reserve.

That applies to practically all of the National Health Sickness Benefit approved societies in Great Britain, so in fairness, those who criticize the Insurance Act should deal with both parts and not deal with one part, simply because it suits their convenience to do so.

Wage Cutters Oppose Insurance

I also want to inform you that those who are opposed to unemployment insurance are the people who want to increase the working hours and reduce the wages of the workers.

Therefore, it should be obvious to all that those people who would increase our hours and reduce our wages are no friends of the organized labor movement in Great Britain, and their comments on the Unemployment Insurance Act should be taken for the value they are worth.

Unions Pay Millions in Jobless Benefits

Practically every society in Britain pays unemployment benefits.

For the year ending 1930, my organization paid 153,000 pounds in unemployment benefits. If you multiply that by five it will give you the number of dollars in your money that we paid out in 12 months.

Do the delegates here assume for one moment that my organization would allow 153,000 pounds of our funds to be paid out if there was work for our members to obtain?

Benefits Begin After Six Days Idleness

And our members are only entitled to receive unemployment benefits when they are prepared to look for and obtain employment, and that applies to every person who deposits his card with the Unemploymnet Exchange.

There is no payment for the first six working days.

Those who want the benefits must attend at the Employment Exchange and sign the book three days a week.

The officials of the Employment Exchange can offer employment to any person who is signing the unemployment book and it need not be in the particular trade or occupation in which the person is engaged.

"Suitable Employment"

For instance, if a member of my organization is signing for state unemployment benefits and there are no vacancies in the building industry, the Employment Exchange officials can say to the member of my organization, "Here is suitable employment, in our opinion, during these times, which you should take."

If the member of my organization says, "No, I am not prepared to take that employment," then immediately his benefit is stopped and not another penny is paid until he has attended before a Court of Referees, composed of one workman, one employer, and an independent chairman appointed by the government.

Referees Court and Umpire Decide Appeals

We find that in the majority of cases in which the Court of Referees decides the appeals as to whether a person is entitled to benefit or not, there is two to one against the workman and he has to put up a remarkable case if benefits have been refused him before he can persuade the Court of Referees to decide that he was justified in refusing to accept that employment, which would carry with it state unemployment benefits.

Again, if the Court of Referees does decide that the workman was justified in refusing to accept that employment, the officials of the Labor Exchange can appeal to an umpire under the Act of Parliament, and that umpire's decision is final and cannot even be set aside by law in Britain.

Insurance Necessary for British Labor

Therefore, that should prove to you that at least we in Britain are satisfied that it is essential that the unemployment insurance scheme should continue to operate.

Not for one moment would we say that that scheme should operate in America or in any other country in the world.

We say that each country itself must determine as to the ways and means in which it is prepared to help the unemployed.

All that we ask in Britain is that we be allowed to conduct our own business in our own way, and if we believe unemployment insurance is the best method of dealing with unemployment in Britain, then we ought to be allowed to continue without the criticisms of those from outside of our country whose criticisms in the main are based upon absolute ignorance as to the needs of our people and the administration of the Unemployment Act.

Work or Maintenance for Labor

Briefly, the British trade union view is that unemployment is a national and international problem resulting from the industrial system under which we live.

The workers are not the authors of that system, but its victims, and unless the community so organizes its resources as to provide work for every willing worker, the unemployed as the reserve of industry are entitled to maintenance.

HAND WEAVING USED FOR JOBLESS RELIEF

Quebec, Can., Oct. 24.—The Government of the Province of Quebec is developing hand weaving to enable families in the rural districts to tide themselves over the business depression, according to O. E. Beriau, director of the homecraft division of the Quebec Department of Agriculture.

More than 10,000 persons in the province are making a living using the ancient hand looms in their own homes to create fine Habitant homespuns, instead of going to the cities to swell the army of the unemployed.

"The Habitant people," says Mr. Beriau, "are naturally artistic, and it is a shame that young men and young women should come into the larger cities in search of employment when there is such a vast field open to them in their own homes.

"We are doing our best to teach these people the value of their own skill, and our work in this connection, I hope, may do much to relieve the unemployment situation in this province.

"There are now hand looms in about 10,000 French Canadian homes, and there are no difficulties in disposing of the products of these looms. The difficulty is not in marketing, but in supplying the demand."

Mr. Beriau explained that the majority of the hand weavers make their own looms from wood on their own farms, obtain wool from their own flocks, and extract dyes from vegetables they grow.

AFL ENDORSES 51 UNION LABELS AND 10 CARDS

The union labels issued by fifty-one unions and union cards issued by ten unions have been endorsed by the American Federation of Labor, according to the annual report of Secretary Frank Morrison to the 1931 convention of the Federation.

Following is the list of unions whose labels have been endorsed:

American Federation of Labor, Bakers and Confectioners, Bill Posters and Billers, Boilermakers, Blacksmiths, Bookbinders, Boot and Shoe Workers, Brewery Workmen, Brick and Clay Workers, Broommakers, Cloth Hat, Cap and Millinery Workers, Carpenters and Joiners, Cigarmakers, Coopers, Draftsmen's Unions, Electrical Workers, Fur Workers, Glass Bottle Blowers, Glove Workers, Hatters, Horseshoers, Iron and Steel Workers, Jewelry Workers, Lathers, Laundry Workers, Ladies' Garment Workers, Leather Workers, Lithographers, Machinists, Marble Workers, Metal Polishers, Molders, Painters, Papermakers, Photo-Engravers, Piano and Organ Workers, Plate Printers, Powder Workers, Printing Pressmen, Stereotypers and Electrotypers, Sheet Metal Workers, Stove Mounters, Tailors, Textile Workers, Tobacco Workers, Typographical Union, United Garment Workers, United Wall Paper Crafts, Upholsterers, Wire Weavers, Wood Carvers.

Following is the list of unions whose union cards have been endorsed:

Actors, Barbers, Hotel and Restaurant Employes, Meat Cutters and Butcher Workmen, Musicians, Operating Engineers, Retail Clerks, Stationary Firemen, Teamsters, Theatrical Stage Employes.

In addition the following crafts and callings are using the American Federation of Labor labels: Coffee, Spice, and Baking Powder Workers; Horse Nail Workers, Neckwear Cutters and Makers, Suspender Makers, and Fountain Pen Workers.